

SENATE JOINT RESOLUTION No. 1

DIGEST OF SJ 1 (Updated January 22, 2008 12:48 pm - DI 73)

Citations Affected: Article 10, Section 1 of the Constitution of the State of Indiana.

Synopsis: Circuit breakers and other property tax matters. Requires the general assembly to limit a taxpayer's property tax liability as follows: (1) A taxpayer's property tax liability on homestead property may not exceed 1% of the gross assessed value of the homestead property. (2) A taxpayer's property tax liability on other residential property may not exceed 2% of the gross assessed value of the other residential property. (3) A taxpayer's property tax liability on nonresidential real property may not exceed 3% of the gross assessed value of the nonresidential real property. (4) A taxpayer's property tax liability on personal property may not exceed 3% of the gross assessed value of the taxpayer's personal property that is the basis for the determination of property taxes within a particular taxing district. Specifies that property taxes imposed after being approved by the voters in a referendum or local public question shall not be considered for purposes of calculating the limits to property tax liability under these provisions. Permits the general assembly to exempt a mobile home used as a homestead to the same extent as real property. Specifies that an exemption may be granted in the form of a deduction or credit. Specifies that the general assembly may impose reasonable filing requirements to obtain an exemption, deduction, or credit. This proposed amendment has not been previously agreed to by a general assembly.

Effective: This proposed amendment must be agreed to by two consecutive general assemblies and ratified by a majority of the state's voters voting on the question to be effective.

**Kenley, Miller, Rogers,
Meeks, Mrvan**

November 20, 2007, read first time and referred to Committee on Tax and Fiscal Policy.
January 22, 2008, reported favorably — Do Pass.



C
o
p
y

January 23, 2008

Second Regular Session 115th General Assembly (2008)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2007 Regular Session of the General Assembly.

SENATE JOINT RESOLUTION No. 1

A JOINT RESOLUTION proposing an amendment to Article 10, Section 1 of the Constitution of the State of Indiana concerning taxation.

Be it resolved by the General Assembly of the State of Indiana:

- 1 SECTION 1. The following amendment to the Constitution of the
- 2 State of Indiana is proposed and agreed to by this, the One Hundred
- 3 Fifteenth General Assembly of the State of Indiana, and is referred to
- 4 the next General Assembly for reconsideration and agreement.
- 5 SECTION 2. ARTICLE 10, SECTION 1 OF THE CONSTITUTION
- 6 OF THE STATE OF INDIANA IS AMENDED TO READ AS
- 7 FOLLOWS: Section 1. (a) **Subject to this section**, the General
- 8 Assembly shall provide, by law, for a uniform and equal rate of
- 9 property assessment and taxation and shall prescribe regulations to
- 10 secure a just valuation for taxation of all property, both real and
- 11 personal.
- 12 (b) **A provision of this section permitting the General Assembly**
- 13 **to exempt property from taxation also permits the General**

SJ 1 — SJ 9621/DI 51+



C
O
P
Y

1 **Assembly to exercise its legislative power to enact property tax**
 2 **deductions and credits for the property. The General Assembly**
 3 **may impose reasonable filing requirements for an exemption,**
 4 **deduction, or credit.**

5 **(c) The General Assembly may exempt from property taxation any**
 6 **property in any of the following classes:**

7 (1) Property being used for municipal, educational, literary,
 8 scientific, religious, or charitable purposes.

9 (2) Tangible personal property other than property being held as
 10 an investment.

11 (3) Intangible personal property.

12 (4) Tangible ~~real~~ property, including curtilage, used as a principal
 13 place of residence by an:

14 (A) owner of the property;

15 (B) individual who is buying the tangible ~~real~~ property under
 16 a contract; or

17 (C) individual who has a beneficial interest in the owner of the
 18 tangible ~~real~~ property.

19 ~~(b)~~ **(d) The General Assembly may exempt any motor vehicles,**
 20 **mobile homes (not otherwise exempt under subsection (c)(4) or (e)),**
 21 **airplanes, boats, trailers, or similar property, provided that an excise tax**
 22 **in lieu of the property tax is substituted therefor.**

23 **(e) The following definitions apply to subsection (f):**

24 **(1) "Other residential property" means tangible property**
 25 **(other than tangible property described in subsection (c)(4))**
 26 **that is used for residential purposes.**

27 **(2) "Nonresidential real property" means real property that**
 28 **is not tangible property described in subsection (c)(4) and is**
 29 **not other residential property.**

30 **(f) The General Assembly shall, by law, limit a taxpayer's**
 31 **property tax liability as follows:**

32 **(1) A taxpayer's property tax liability on tangible property**
 33 **described in subsection (c)(4) may not exceed one percent**
 34 **(1%) of the gross assessed value of the property that is the**
 35 **basis for the determination of property taxes.**

36 **(2) A taxpayer's property tax liability on other residential**
 37 **property may not exceed two percent (2%) of the gross**
 38 **assessed value of the property that is the basis for the**
 39 **determination of property taxes.**

40 **(3) A taxpayer's property tax liability on nonresidential real**
 41 **property may not exceed three percent (3%) of the gross**
 42 **assessed value of the property that is the basis for the**

C
O
P
Y



determination of property taxes.

(4) A taxpayer's property tax liability on personal property (other than personal property that is tangible property described in subsection (c)(4) or personal property that is other residential property) may not exceed three percent (3%) of the gross assessed value of the taxpayer's personal property that is the basis for the determination of property taxes within a particular taxing district.

(g) Property taxes imposed after being approved by the voters in a referendum or local public question shall not be considered for purposes of calculating the limits to property tax liability under subsection (f).

C
o
p
y



SENATE MOTION

Madam President: I move that Senator Miller be added as second author of Senate Joint Resolution 1.

KENLEY

SENATE MOTION

Madam President: I move that Senator Rogers be added as third author of Senate Joint Resolution 1.

KENLEY

SENATE MOTION

Madam President: I move that Senator Meeks be added as coauthor of Senate Joint Resolution 1.

KENLEY

SENATE MOTION

Madam President: I move that Senator Mrvan be added as coauthor of Senate Joint Resolution 1.

KENLEY

COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Joint Resolution No. 1, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, delete lines 23 through 31, begin a new paragraph and insert:

"(e) The following definitions apply to subsection (f):

(1) "Other residential property" means tangible property



C
o
p
y

(other than tangible property described in subsection (c)(4)) that is used for residential purposes.

(2) "Nonresidential real property" means real property that is not tangible property described in subsection (c)(4) and is not other residential property.

(f) The General Assembly shall, by law, limit a taxpayer's property tax liability as follows:

(1) A taxpayer's property tax liability on tangible property described in subsection (c)(4) may not exceed one percent (1%) of the gross assessed value of the property that is the basis for the determination of property taxes.

(2) A taxpayer's property tax liability on other residential property may not exceed two percent (2%) of the gross assessed value of the property that is the basis for the determination of property taxes.

(3) A taxpayer's property tax liability on nonresidential real property may not exceed three percent (3%) of the gross assessed value of the property that is the basis for the determination of property taxes.

(4) A taxpayer's property tax liability on personal property (other than personal property that is tangible property described in subsection (c)(4) or personal property that is other residential property) may not exceed three percent (3%) of the gross assessed value of the taxpayer's personal property that is the basis for the determination of property taxes within a particular taxing district.

(g) Property taxes imposed after being approved by the voters in a referendum or local public question shall not be considered for purposes of calculating the limits to property tax liability under subsection (f)."

and when so amended that said bill do pass.

(Reference is to SJR 1 as introduced.)

KENLEY, Chairperson

Committee Vote: Yeas 10, Nays 0.

C
O
P
Y

